



# House of Representatives

**File No. 1005**

General Assembly

January Session, 2019

**(Reprint of File No. 691)**

Substitute House Bill No. 7209  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 28, 2019

**AN ACT ESTABLISHING THE CONNECTICUT MUNICIPAL  
REDEVELOPMENT AUTHORITY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2019*) For purposes of this  
2 section and sections 2 to 12, inclusive, of this act:

3 (1) "Authority" means the Connecticut Municipal Redevelopment  
4 Authority established in section 2 of this act;

5 (2) "Authority development project" means a project occurring  
6 within the boundaries of a Connecticut Municipal Redevelopment  
7 Authority development district;

8 (3) "Connecticut Municipal Redevelopment Authority development  
9 district" or "development district" means the area determined by a  
10 memorandum of agreement between the authority and the chief  
11 executive officer of the member municipality, or the chief executive  
12 officers of the municipalities constituting a joint member entity, as  
13 applicable, where such development district is located, provided such

14 area shall be considered a downtown or does not exceed a one-half-  
15 mile radius of a transit station;

16 (4) "Designated tier III municipality" has the same meaning as  
17 provided in section 7-560 of the general statutes;

18 (5) "Designated tier IV municipality" has the same meaning as  
19 provided in section 7-560 of the general statutes;

20 (6) "Downtown" means a central business district or other  
21 commercial neighborhood area of a community that serves as a center  
22 of socioeconomic interaction in the community, characterized by a  
23 cohesive core of commercial and mixed-use buildings, often  
24 interspersed with civic, religious and residential buildings and public  
25 spaces, that are typically arranged along a main street and intersecting  
26 side streets and served by public infrastructure;

27 (7) "Member municipality" means (A) any municipality with a  
28 population of seventy thousand or more that opts to join the  
29 Connecticut Municipal Redevelopment Authority in accordance with  
30 section 5 of this act, or (B) any designated tier III or tier IV  
31 municipality. "Member municipality" does not include the city of  
32 Hartford or any municipality that is considered part of the capital  
33 region, as defined in section 32-600 of the general statutes;

34 (8) "Joint member entity" means two or more municipalities with a  
35 combined population of seventy thousand or more that together opt to  
36 join the Connecticut Municipal Redevelopment Authority in  
37 accordance with section 5 of this act, provided no such municipality is  
38 considered part of the capital region, as defined in section 32-600 of the  
39 general statutes;

40 (9) "Project" means any or all of the following: (A) The design and  
41 construction of transit-oriented development, as defined in section  
42 13b-79kk of the general statutes; (B) the creation of housing units  
43 through rehabilitation or new construction; (C) the demolition or  
44 redevelopment of vacant buildings; and (D) development and

45 redevelopment;

46 (10) "State-wide transportation investment program" means the  
47 planning document developed and updated at least every four years  
48 by the Department of Transportation in compliance with the  
49 requirements of 23 USC 135, listing all transportation projects in the  
50 state expected to receive federal funding during the four-year period  
51 covered by the program; and

52 (11) "Transit station" means any passenger railroad station or bus  
53 rapid transit station that is operational, or for which the Department of  
54 Transportation has initiated planning or that is included in the state-  
55 wide transportation investment program, that is or will be located  
56 within the boundaries of a member municipality or the municipalities  
57 constituting a joint member entity.

58 Sec. 2. (NEW) (*Effective October 1, 2019*) (a) There is hereby  
59 established and created a body politic and corporate, constituting a  
60 public instrumentality and political subdivision of the state established  
61 and created for the performance of an essential public and  
62 governmental function, to be known as the Connecticut Municipal  
63 Redevelopment Authority. The authority shall not be construed to be a  
64 department, institution or agency of the state.

65 (b) The powers of the authority shall be vested in and exercised by a  
66 board of directors, which shall consist of the following members: (1)  
67 Two appointed jointly by the speaker of the House of Representatives  
68 and the president pro tempore of the Senate, one of whom shall be the  
69 chief executive officer of a member municipality in New Haven  
70 County; (2) two appointed jointly by the majority leaders of the House  
71 of Representatives and the Senate, one of whom shall be the chief  
72 executive officer of a member municipality in Hartford County; (3) two  
73 appointed jointly by the minority leaders of the House of  
74 Representatives and the Senate, one of whom shall be the chief  
75 executive officer of a member municipality in Fairfield County; (4) two  
76 appointed by the Governor; and (5) the Secretary of the Office of Policy

77 and Management, the Labor Commissioner and the Commissioners of  
78 Transportation, Housing and Economic and Community  
79 Development, or their designees, who shall serve as ex-officio, voting  
80 members of the board.

81 (c) The Governor shall designate the chairperson of the board from  
82 among the members. All initial appointments shall be made not later  
83 than sixty days after the effective date of this section. All members  
84 shall be appointed by the original appointing authority for four-year  
85 terms. Any member of the board shall be eligible for reappointment.  
86 Any vacancy occurring other than by expiration of term shall be filled  
87 in the same manner as the original appointment for the balance of the  
88 unexpired term. The appointing authority for any member may  
89 remove such member for misfeasance, malfeasance or wilful neglect of  
90 duty.

91 (d) Each member of the board, before commencing such member's  
92 duties, shall take and subscribe the oath or affirmation required by  
93 section 1 of article eleventh of the Constitution of the state. A record of  
94 each such oath shall be filed in the office of the Secretary of the State.

95 (e) The board of directors shall maintain a record of its proceedings  
96 in such form as it determines, provided such record indicates  
97 attendance and all votes cast by each member. Any appointed member  
98 who fails to attend three consecutive meetings or who fails to attend  
99 fifty per cent of all meetings held during any calendar year shall be  
100 deemed to have resigned from the board. A majority of the members  
101 of the board then in office shall constitute a quorum, and an  
102 affirmative vote by a majority of the members present at a meeting of  
103 the board shall be sufficient for any action taken by the board. No  
104 vacancy in the membership of the board shall impair the right of a  
105 quorum to exercise all the rights and perform all the duties of the  
106 board. Any action taken by the board may be authorized by resolution  
107 at any regular or special meeting and shall take effect immediately  
108 unless otherwise provided in the resolution. The board may delegate  
109 to three or more of its members, or its officers, agents or employees,

110 such board powers and duties as it may deem proper.

111 (f) The board of directors shall annually elect one of its members as  
112 a vice-chairperson, and shall elect other of its members as officers,  
113 adopt a budget and bylaws, designate an executive committee, report  
114 semiannually to the appointing authorities with respect to operations,  
115 finances and achievement of its economic development objective, be  
116 accountable to and cooperate with the state whenever the state may  
117 audit the Connecticut Municipal Redevelopment Authority or an  
118 authority development project or at any other time as the state may  
119 inquire as to either, including allowing the state reasonable access to  
120 any such project and to the records of the authority.

121 (g) The chairperson of the board, with the approval of the members  
122 of the board of directors, shall appoint an executive director of the  
123 authority who shall be an employee of the authority and paid a salary  
124 prescribed by the members. The executive director shall be the chief  
125 administrative officer of the authority and shall supervise the  
126 administrative affairs and technical activities of the authority in  
127 accordance with the directives of the board. The executive director  
128 shall not be a member of the board.

129 (h) No member of the board of directors may receive compensation  
130 for the performance of such member's official duties.

131 (i) Each member of the board of directors of the authority and the  
132 executive director shall execute a surety bond in the penal sum of at  
133 least one hundred thousand dollars, or, in lieu thereof, the chairperson  
134 of the board shall execute a blanket position bond or procure an  
135 equivalent insurance product covering each member, the executive  
136 director and the employees of the authority. Each surety bond or  
137 equivalent insurance product shall be conditioned upon the faithful  
138 performance of the duties of the office or offices covered, issued by an  
139 insurance company authorized to transact business in this state for  
140 surety or such insurance product. The cost of each such bond or  
141 insurance product shall be paid by the authority.

142 (j) No board member, or member of his or her immediate family, as  
143 defined in section 1-91 of the general statutes, shall have or acquire any  
144 financial interest in (1) any authority development project, or (2) any  
145 property included or planned to be included in any such project or in  
146 any contract or proposed contract for materials or services to be used  
147 in such project.

148 (k) The authority shall have perpetual succession and shall adopt  
149 procedures for the conduct of its affairs in accordance with section 4 of  
150 this act. Such succession shall continue as long as the authority has  
151 bonds, notes or other obligations outstanding and until its existence is  
152 terminated by law, provided no such termination shall affect any  
153 outstanding contractual obligation of the authority and the state shall  
154 succeed to the obligations of the authority under any contract. Upon  
155 the termination of the existence of the authority, all its rights and  
156 properties shall pass to and be vested in the state.

157 Sec. 3. (NEW) (*Effective October 1, 2019*) (a) The purposes of the  
158 Connecticut Municipal Redevelopment Authority shall be to: (1)  
159 Stimulate economic and transit-oriented development, as defined in  
160 section 13b-79kk of the general statutes, within Connecticut Municipal  
161 Redevelopment Authority development districts; (2) encourage  
162 residential housing development within development districts; (3)  
163 manage facilities through contractual agreement or other legal  
164 instrument; (4) stimulate new investment within development districts  
165 and provide support for the creation of vibrant, multidimensional  
166 downtowns; (5) upon request of the legislative body of a member  
167 municipality, or the legislative bodies of the municipalities constituting  
168 a joint member entity, as applicable, in which a development district is  
169 located, work with such municipality or municipalities to assist in  
170 development and redevelopment efforts to stimulate the economy of  
171 such municipality or municipalities; (6) upon request of the Secretary  
172 of the Office of Policy and Management and with the approval of the  
173 chief executive officer of a member municipality, or the chief executive  
174 officers of the municipalities constituting a joint member entity, as  
175 applicable, in which a development district is located, enter into an

176 agreement to facilitate development or redevelopment within such  
177 development district; (7) encourage development and redevelopment  
178 of property within development districts; (8) engage residents of  
179 member municipalities, or municipalities constituting a joint member  
180 entity, as applicable, and other stakeholders in development and  
181 redevelopment efforts; and (9) market and develop development  
182 districts as vibrant and multidimensional.

183 (b) For the purposes enumerated in subsection (a) of this section, the  
184 authority is authorized and empowered to:

185 (1) Have perpetual succession as a body politic and corporate and to  
186 adopt procedures for the regulation of its affairs and the conduct of its  
187 business, as provided in section 4 of this act;

188 (2) Adopt a corporate seal and alter the same at pleasure;

189 (3) Maintain an office at such place or places as it may designate;

190 (4) Sue and be sued in its own name, plead and be impleaded;

191 (5) Contract and be contracted with;

192 (6) (A) Employ such assistants, agents and other employees as may  
193 be necessary or desirable to carry out its purposes, which employees  
194 shall be exempt from the classified service and shall not be employees,  
195 as defined in subsection (b) of section 5-270 of the general statutes; (B)  
196 establish all necessary or appropriate personnel practices and policies,  
197 including those relating to hiring, promotion, compensation,  
198 retirement and collective bargaining, which need not be in accordance  
199 with chapter 68 of the general statutes. For the purposes of this  
200 subdivision, the authority shall not be an employer as defined in  
201 subsection (a) of section 5-270 of the general statutes, and for the  
202 purposes of group welfare benefits and retirement, including, but not  
203 limited to, those provided under chapter 66 of the general statutes and  
204 sections 5-257 and 5-259 of the general statutes, the officers and all  
205 other employees of the authority shall be state employees; and (C)

206 engage consultants, attorneys and appraisers as may be necessary or  
207 desirable to carry out its purposes in accordance with sections 2 to 12,  
208 inclusive, of this act;

209 (7) Acquire, lease, purchase, own, manage, hold and dispose of  
210 personal property, and lease, convey or deal in or enter into  
211 agreements with respect to such property on any terms necessary or  
212 incidental to carrying out the purposes set forth in this section;

213 (8) Procure insurance against any liability or loss in connection with  
214 its property and other assets, in such amounts and from such insurers  
215 as it deems desirable and procure insurance for employees;

216 (9) Invest any funds not needed for immediate use or disbursement  
217 in obligations issued or guaranteed by the United States or the state,  
218 including the Short Term Investment Fund and the Tax-Exempt  
219 Proceeds Fund, and in other obligations that are legal investments for  
220 savings banks in this state, and in-time deposits or certificates of  
221 deposit or other similar banking arrangements secured in such manner  
222 as the authority determines;

223 (10) Enter into such memoranda of agreement as the authority  
224 deems appropriate to carry out its responsibilities under this section;  
225 and

226 (11) Do all acts and things necessary or convenient to carry out the  
227 purposes of, and the powers expressly granted by, this section.

228 (c) In addition to the powers enumerated in subsection (b) of this  
229 section, the Connecticut Municipal Redevelopment Authority shall  
230 have the following powers with respect to authority development  
231 projects:

232 (1) (A) To acquire by gift, purchase, lease or transfer, lands or rights-  
233 in-land and to sell and lease or sublease, as lessor or lessee or sublessor  
234 or sublessee, any portion of its real property rights, including air space  
235 above, and enter into related common area maintenance, easement,



236 access, support and similar agreements, and own and operate facilities  
237 associated with authority development projects, provided such activity  
238 is consistent with all applicable federal tax covenants of the authority;  
239 (B) to transfer or dispose of any property or interest therein acquired  
240 by the authority at any time; and (C) to receive and accept aid or  
241 contributions from any source of money, labor, property or other thing  
242 of value, to be held, used and applied to carry out the purposes of this  
243 section, subject to the conditions upon which such grants and  
244 contributions are made, including, but not limited to, gifts or grants  
245 from any department, agency or instrumentality of the United States or  
246 this state for any purpose consistent with this section, provided (i) the  
247 authority shall provide opportunity for public comment prior to any  
248 acquisition, transfer or disposal in accordance with this subdivision,  
249 and (ii) any land or right-in-land, aid or contribution received by the  
250 authority under this subdivision shall be subject to the provisions of  
251 chapter 10 of the general statutes;

252 (2) To formulate plans for, acquire, finance and develop, lease,  
253 purchase, construct, reconstruct, repair, improve, expand, extend,  
254 operate, maintain and market facilities associated with authority  
255 development projects, provided such activities are consistent with all  
256 applicable federal tax covenants of the authority;

257 (3) To contract and be contracted with, provided if management,  
258 operating or promotional contracts or agreements or other contracts or  
259 agreements are entered into with nongovernmental parties with  
260 respect to property financed with the proceeds of obligations, the  
261 interest on which is excluded from gross income for federal income  
262 taxation, the board of directors shall ensure that such contracts or  
263 agreements are in compliance with the covenants of the authority  
264 upon which such tax exclusion is conditioned;

265 (4) To fix and revise, from time to time, and to charge and collect  
266 fees, rents and other charges for the use, occupancy or operation of  
267 authority development projects, and to establish and revise from time  
268 to time procedures concerning the use, operation and occupancy of

269 facilities associated with such projects, including parking rates, rules  
270 and procedures, provided such arrangements are consistent with all  
271 applicable federal tax covenants of the authority, and to utilize net  
272 revenues received by the authority from the operation of such  
273 facilities, after allowance for operating expenses and other charges  
274 related to the ownership, operation or financing thereof, for other  
275 proper purposes of the authority, including, but not limited to,  
276 funding of operating deficiencies or operating or capital replacement  
277 reserves for such facilities and related parking facilities, as determined  
278 to be appropriate by the authority;

279 (5) To engage architects, engineers, attorneys, accountants,  
280 consultants and such other independent professionals as may be  
281 necessary or desirable to carry out authority development projects;

282 (6) To contract for construction, development, concessions and the  
283 procurement of goods and services, and to establish and modify  
284 procurement procedures from time to time in accordance with the  
285 provisions of section 4 of this act to implement the foregoing;

286 (7) To borrow money and to issue bonds, notes and other  
287 obligations of the authority to the extent permitted under section 8 of  
288 this act, to fund and refund the same and to provide for the rights of  
289 the holders thereof and to secure the same by pledge of assets,  
290 revenues and notes;

291 (8) To do anything necessary and desirable, including executing  
292 reimbursement agreements or similar agreements in connection with  
293 credit facilities, including, but not limited to, letters of credit or policies  
294 of bond insurance, remarketing agreements and agreements for the  
295 purpose of moderating interest rate fluctuations, to render any bonds  
296 to be issued pursuant to section 8 of this act more marketable; and

297 (9) To engage in and contract for marketing and promotional  
298 activities for authority development projects under the operation or  
299 jurisdiction of the authority.

300 (d) The Connecticut Municipal Redevelopment Authority and the  
301 Capital Region Development Authority, established pursuant to  
302 chapter 588x of the general statutes, may enter into a memorandum of  
303 agreement pursuant to which: (1) Administrative support and services,  
304 including all staff support necessary for the operations of the  
305 Connecticut Municipal Redevelopment Authority may be provided by  
306 the Capital Region Development Authority, and (2) provision is made  
307 for the coordination of management and operational activities that  
308 may include: (A) Joint procurement and contracting; (B) the sharing of  
309 services and resources; (C) the coordination of promotional activities;  
310 and (D) other arrangements designed to enhance revenues, reduce  
311 operating costs or achieve operating efficiencies. The terms and  
312 conditions of such memorandum of agreement, including provisions  
313 with respect to the reimbursement by the Connecticut Municipal  
314 Redevelopment Authority to the Capital Region Development  
315 Authority of the costs of such administrative support and services,  
316 shall be as the Connecticut Municipal Redevelopment Authority and  
317 the Capital Region Development Authority determine to be  
318 appropriate.

319 (e) The authority shall have the power to negotiate, and, with the  
320 approval of the Secretary of the Office of Policy and Management, to  
321 enter into an agreement with any private developer, owner or lessee of  
322 any building or improvement located on land in a development  
323 district providing for payments to the authority in lieu of real property  
324 taxes. Such an agreement shall be made a condition of any private  
325 right of development within the development district, and shall  
326 include a requirement that such private developer, owner or lessee  
327 make good faith efforts to hire, or cause to be hired, available and  
328 qualified minority business enterprises, as defined in section 4a-60g of  
329 the general statutes, to provide construction services and materials for  
330 improvements to be constructed within the development district in an  
331 effort to achieve a minority business enterprise utilization goal of ten  
332 per cent of the total costs of construction services and materials for  
333 such improvements. Such payments to the authority in lieu of real

334 property taxes shall have the same lien and priority, and may be  
335 enforced by the authority in the same manner, as provided for  
336 municipal real property taxes. Such payments as received by the  
337 authority shall be used to carry out the purposes of the authority set  
338 forth in subsection (a) of this section.

339 (f) Nothing in sections 2 to 12, inclusive, of this act shall be  
340 construed as limiting the authority of the Connecticut Municipal  
341 Redevelopment Authority to enter into agreements to facilitate  
342 development or redevelopment of municipal property or facilities.

343 Sec. 4. (NEW) (*Effective October 1, 2019*) The board of directors of the  
344 Connecticut Municipal Redevelopment Authority shall adopt written  
345 procedures, in accordance with the provisions of section 1-121 of the  
346 general statutes, for: (1) Adopting an annual budget and plan of  
347 operations, which shall include a requirement of board approval  
348 before the budget or plan may take effect; (2) hiring, dismissing,  
349 promoting and compensating employees of the authority, which shall  
350 include an affirmative action policy and a requirement of board  
351 approval before a position may be created or a vacancy filled; (3)  
352 acquiring real and personal property and personal services, which  
353 shall include a requirement of board approval for any nonbudgeted  
354 expenditure in excess of ten thousand dollars; (4) contracting for  
355 financial, legal, bond underwriting and other professional services,  
356 including a requirement that the authority solicit proposals at least  
357 once every three years for each such service that it uses; (5) issuing and  
358 retiring bonds, notes and other obligations of the authority; (6)  
359 providing loans, grants and other financial assistance, which shall  
360 include eligibility criteria, the application process and the role played  
361 by the authority's staff and board of directors; and (7) the use of  
362 surplus funds.

363 Sec. 5. (NEW) (*Effective October 1, 2019*) (a) (1) Any municipality  
364 with a population of seventy thousand or more as determined by the  
365 most recent decennial census, except the city of Hartford or any  
366 municipality that is considered part of the capital region, as defined in

367 section 32-600 of the general statutes, may, by certified resolution of  
368 the legislative body of the municipality, opt to join the Connecticut  
369 Municipal Redevelopment Authority as a member municipality,  
370 provided such municipality holds a public hearing prior to any vote on  
371 such certified resolution. Any designated tier III or tier IV  
372 municipality, except the city of Hartford or any municipality that is  
373 considered part of the capital region as defined in section 32-600 of the  
374 general statutes, shall be deemed a member municipality.

375 (2) The legislative body of each member municipality shall appoint  
376 a local development board to serve as liaison to the authority. Such  
377 board (A) shall include three individuals representing the municipality  
378 and the chief executive officer of such municipality, who shall serve as  
379 chairperson of the board, and (B) may include, but need not be limited  
380 to, representatives from local health or human services organizations,  
381 local housing organizations, a local school district or education  
382 organization, and a local business organization. Such advisory board  
383 shall also include one member of the board of directors of the  
384 authority, chosen by the chairperson of the board of directors of the  
385 authority. Each legislative body shall make a good faith effort to  
386 appoint representatives of minority-owned businesses, advocates for  
387 walkable communities and members who are geographically, racially,  
388 socioeconomically and gender diverse.

389 (3) Any municipality that opts to join the authority as a member  
390 municipality or that is deemed a member municipality pursuant to  
391 subsection (a) of this section shall enter into a memorandum of  
392 agreement with the authority for the establishment of one or more  
393 development districts.

394 (b) (1) Any two or more municipalities with a combined population  
395 of seventy thousand or more as determined by the most recent  
396 decennial census may, by certified concurrent resolutions of the  
397 legislative bodies of each such municipality, together opt to join the  
398 Connecticut Municipal Redevelopment Authority as a joint member  
399 entity, provided (A) no such municipality is considered part of the

400 capital region, as defined in section 32-600 of the general statutes, and  
401 (B) each such municipality holds a public hearing prior to any vote on  
402 the certified resolution from such municipality. The concurrent  
403 resolutions shall set forth an agreement of such municipalities as to  
404 authority for decisions concerning projects in development districts  
405 within such municipalities.

406 (2) The legislative bodies of the municipalities constituting a joint  
407 member entity shall jointly appoint a local development board to serve  
408 as liaison to the authority. Such board shall (A) include two  
409 individuals representing each such municipality and the chief  
410 executive officer of each such municipality, who shall serve as  
411 cochairperson of the board with the other chief executive officers, and  
412 (B) may include, but need not be limited to, representatives from local  
413 health or human services organizations, local housing organizations, a  
414 local school district or education organization and a local business  
415 organization. Such board shall also include one member of the board  
416 of directors of the authority, chosen by the chairperson of the board of  
417 directors of the authority. The legislative bodies of the municipalities  
418 constituting a joint member entity shall make a good faith effort to  
419 appoint representatives of minority-owned businesses, advocates for  
420 walkable communities and members who are geographically, racially,  
421 socioeconomically and gender diverse.

422 (3) Any two or more municipalities that together opt to join the  
423 authority as a joint member entity shall jointly enter into a  
424 memorandum of agreement with the authority for the establishment of  
425 one or more development districts.

426 (c) In consultation with the board of directors of the authority, a  
427 local development board appointed pursuant to subdivision (2) of  
428 subsection (a) or subdivision (2) of subsection (b) of this section shall  
429 have, with respect to authority development projects, all the powers  
430 enumerated in subdivision (8) of subsection (b) of section 3 of this act  
431 and in subdivisions (1) to (6), inclusive, of subsection (c) of said  
432 section.

433       Sec. 6. (NEW) (*Effective October 1, 2019*) (a) In lieu of the report  
434 required under section 1-123 of the general statutes, within the first  
435 ninety days of each fiscal year of the Connecticut Municipal  
436 Redevelopment Authority, the board of directors of the authority shall  
437 submit a report to the Governor, the Auditors of Public Accounts and  
438 the joint standing committee of the General Assembly having  
439 cognizance of matters relating to finance, revenue and bonding. Such  
440 report shall include, but not be limited to, the following: (1) A list of all  
441 bonds issued during the preceding fiscal year, including, for each such  
442 issue, the financial advisor and underwriters, whether the issue was  
443 competitive, negotiated or privately placed, and the issue's face value  
444 and net proceeds; (2) a description of each authority development  
445 project in which the authority is involved, its location and the amount  
446 of funds, if any, provided by the authority with respect to the  
447 construction of such project; (3) a list of all outside individuals and  
448 firms, including principal and other major stockholders, receiving in  
449 excess of five thousand dollars as payments for services; (4) a  
450 comprehensive annual financial report prepared in accordance with  
451 generally accepted accounting principles for governmental enterprises;  
452 (5) the cumulative value of all bonds issued, the value of outstanding  
453 bonds and the amount of the state's contingent liability; (6) the  
454 affirmative action policy adopted pursuant to section 4 of this act, a  
455 description of the composition of the workforce of the Connecticut  
456 Municipal Redevelopment Authority by race, sex and occupation and  
457 a description of the affirmative action efforts of the authority; and (7) a  
458 description of planned activities for the current fiscal year.

459       (b) The board of directors of the authority shall annually contract  
460 with a person, firm or corporation for a compliance audit of the  
461 authority's activities during the preceding authority fiscal year. The  
462 audit shall determine whether the authority has complied with the  
463 authority's policies and procedures concerning affirmative action,  
464 personnel practices, the purchase of goods and services and the use of  
465 surplus funds. The board shall submit the audit report to the  
466 Governor, the Auditors of Public Accounts and the joint standing

467 committee of the General Assembly having cognizance of matters  
468 relating to finance, revenue and bonding.

469 (c) The board of directors of the authority shall annually contract  
470 with a firm of certified public accountants to undertake an  
471 independent financial audit of the Connecticut Municipal  
472 Redevelopment Authority in accordance with generally accepted  
473 auditing standards. The board shall submit the audit report to the  
474 Governor, the Auditors of Public Accounts and the joint standing  
475 committee of the General Assembly having cognizance of matters  
476 relating to finance, revenue and bonding.

477 (d) The authority shall designate a contract compliance officer from  
478 its staff to monitor compliance of the operations of facilities and  
479 parking facilities associated with authority development projects that  
480 are under the management or control of the authority, with (1) the  
481 provisions of state law applicable to such operations, and (2)  
482 applicable requirements of contracts entered into by the authority  
483 relating to set-asides for small contractors and minority business  
484 enterprises and required efforts to hire available and qualified  
485 members of minorities, as defined in section 32-9n of the general  
486 statutes. Each year during the period of operations of facilities  
487 associated with authority development projects, such officer shall file a  
488 written report with the authority as to findings and recommendations  
489 regarding such compliance.

490 Sec. 7. (NEW) (*Effective October 1, 2019*) (a) Any person, including,  
491 but not limited to, a state or municipal agency, requesting funds from  
492 the state, including, but not limited to, any authority created by the  
493 general statutes or any public or special act, with respect to any  
494 authority development project shall, at the time it makes such request  
495 for funds from the state, present a full and complete copy of its  
496 application or request along with any supporting documents or  
497 exhibits to the authority for its recommendation and to the Secretary of  
498 the Office of Policy and Management. The Connecticut Municipal  
499 Redevelopment Authority shall, not later than ninety days after receipt



500 of such application or request, prepare and adopt an economic  
501 development statement summarizing its recommendations with  
502 respect to such application or request and deliver such statement to the  
503 state officer, official, employee or agent of the state or authority to  
504 whom such application or request was made. The recommendations in  
505 such statement shall include contract provisions regarding  
506 performance standards, including, but not limited to, project timelines.

507 (b) Notwithstanding any provision of the general statutes, public or  
508 special acts, any regulation or procedure or any other law, no officer,  
509 official, employee or agent of the state or any authority created by the  
510 general statutes or any public or special act shall expend any funds on  
511 any authority development project, unless such officer, official,  
512 employee or agent has received an economic development statement  
513 prepared by the Connecticut Municipal Redevelopment Authority  
514 pursuant to subsection (a) of this section, except that if no such  
515 statement is received by the ninetieth day after the date of the initial  
516 application or request for such funds, such funds may be expended. If  
517 funds are expended pursuant to this subsection in a manner not  
518 consistent with the recommendations contained in an economic  
519 development statement for such expenditure, the officer, official,  
520 employee or agent of the state expending such funds shall respond in  
521 writing to the authority, providing an explanation of the decision with  
522 respect to such expenditure.

523 (c) The Connecticut Municipal Redevelopment Authority shall  
524 coordinate the use of all state, municipal and quasi-public agency  
525 planning and financial resources that are made available for any  
526 authority development project in which the authority is involved,  
527 including any resources available from any quasi-public agency.

528 (d) All state agencies, departments, boards, commissions and  
529 councils and all quasi-public agencies shall cooperate with the  
530 Connecticut Municipal Redevelopment Authority in carrying out the  
531 purposes enumerated in section 3 of this act.

532       Sec. 8. (NEW) (*Effective October 1, 2019*) (a) The board of directors of  
533       the Connecticut Municipal Redevelopment Authority is authorized  
534       from time to time to issue its bonds, notes and other obligations in  
535       such principal amounts as in the opinion of the board shall be  
536       necessary to provide sufficient funds for carrying out the purposes set  
537       forth in section 3 of this act, including the payment, funding or  
538       refunding of the principal of, or interest or redemption premiums on,  
539       any bonds, notes and other obligations issued by it, whether the bonds,  
540       notes or other obligations or interest to be funded or refunded have or  
541       have not become due, the establishment of reserves to secure such  
542       bonds, notes and other obligations, loans made by the authority and all  
543       other expenditures of the authority incident to and necessary or  
544       convenient to carry out the purposes set forth in section 3 of this act.

545       (b) Every issue of bonds, notes or other obligations shall be a  
546       general obligation of the authority payable out of any moneys or  
547       revenues of the authority and subject only to any agreements with the  
548       holders of particular bonds, notes or other obligations pledging any  
549       particular moneys or revenues. Any such bonds, notes or other  
550       obligations may be additionally secured by any grant or contributions  
551       from any department, agency or instrumentality of the United States or  
552       person or a pledge of any moneys, income or revenues of the authority  
553       from any source whatsoever.

554       (c) Notwithstanding any other provision of any law, any bonds,  
555       notes or other obligations issued by the authority pursuant to this  
556       section shall be fully negotiable within the meaning and for all  
557       purposes of title 42a of the general statutes. Any such bonds, notes or  
558       other obligations shall be legal investments for all trust companies,  
559       banks, investment companies, savings banks, building and loan  
560       associations, executors, administrators, guardians, conservators,  
561       trustees and other fiduciaries and pension, profit-sharing and  
562       retirement funds.

563       (d) Bonds, notes or other obligations of the authority shall be  
564       authorized by resolution of the board of directors of the authority and

565 may be issued in one or more series and shall bear such date or dates,  
566 mature at such time or times, in the case of any such note, or any  
567 renewal thereof, not exceeding the term of years as the board shall  
568 determine from the date of the original issue of such notes, and, in the  
569 case of bonds, not exceeding thirty years from the date thereof, bear  
570 interest at such rate or rates, be in such denomination or  
571 denominations, be in such form, either coupon or registered, carry  
572 such conversion or registration privileges, have such rank or priority,  
573 be executed in such manner, be payable from such sources in such  
574 medium of payment at such place or places within or without this  
575 state, and be subject to such terms of redemption, with or without  
576 premium, as such resolution or resolutions may provide.

577 (e) Bonds, notes or other obligations of the authority may be sold at  
578 public or private sale at such price or prices as the board shall  
579 determine.

580 (f) Bonds, notes or other obligations of the authority may be  
581 refunded and renewed from time to time as may be determined by  
582 resolution of the board, provided any such refunding or renewal shall  
583 be in conformity with any rights of the holders of such bonds, notes or  
584 other obligations.

585 (g) Except as provided in section 10 of this act, bonds, notes or other  
586 obligations of the authority issued under the provisions of this section  
587 shall not be deemed to constitute a debt or liability of the state or of  
588 any political subdivision thereof other than the authority, or a pledge  
589 of the faith and credit of the state or of any such political subdivision  
590 other than the authority, and shall not constitute bonds or notes issued  
591 or guaranteed by the state within the meaning of section 3-21 of the  
592 general statutes, but shall be payable solely from the funds as provided  
593 in this section. All such bonds, notes or other obligations shall contain  
594 on the face thereof a statement to the effect that, unless otherwise  
595 provided by law, neither the state of Connecticut nor any political  
596 subdivision thereof other than the authority shall be obligated to pay  
597 the same or the interest thereof except from revenues or other funds of

598 the authority and that neither the faith and credit nor the taxing power  
599 of the state of Connecticut or of any political subdivision thereof other  
600 than the authority is pledged to the payment of the principal of, or the  
601 interest on, such bonds, notes or other obligations.

602 (h) Any resolution or resolutions authorizing the issuance of bonds,  
603 notes or other obligations may contain provisions, except as limited by  
604 existing agreements with the holders of bonds, notes or other  
605 obligations, which shall be a part of the contract with the holders  
606 thereof, as to the following: (1) The pledging of all or any part of the  
607 moneys received by the authority to secure the payment of the  
608 principal of and interest on any bonds, notes or other obligations or of  
609 any issue thereof; (2) the pledging of all or part of the assets of the  
610 authority to secure the payment of the principal and interest on any  
611 bonds, notes or other obligations or of any issue thereof; (3) the  
612 establishment of reserves or sinking funds, the making of charges and  
613 fees to provide for the same, and the regulation and disposition  
614 thereof; (4) limitations on the purpose to which the proceeds of sale of  
615 bonds, notes or other obligations may be applied and pledging such  
616 proceeds to secure the payment of the bonds, notes or other  
617 obligations, or of any issues thereof; (5) limitations on the issuance of  
618 additional bonds, notes or other obligations, the terms upon which  
619 additional bonds, bond anticipation notes or other obligations may be  
620 issued and secured, the refunding or purchase of outstanding bonds,  
621 notes or other obligations of the authority; (6) the procedure, if any, by  
622 which the terms of any contract with the holders of any bonds, notes or  
623 other obligations of the authority may be amended or abrogated, the  
624 amount of bonds, notes or other obligations the holders of which must  
625 consent thereto and the manner in which such consent may be given;  
626 (7) limitations on the amount of moneys to be expended by the  
627 authority for operating, administrative or other expenses of the  
628 authority; (8) the vesting in a trustee or trustees of such property,  
629 rights, powers and duties in trust as the authority may determine,  
630 which may include any or all of the rights, powers and duties of any  
631 trustee appointed by the holders of any bonds, notes or other

632 obligations and limiting or abrogating the right of the holders of any  
633 bonds, notes or other obligations of the authority to appoint a trustee  
634 or limiting the rights, powers and duties of such trustee; (9) provision  
635 for a trust agreement by and between the authority and a corporate  
636 trustee which may be any trust company or bank having the powers of  
637 a trust company within or without the state, which agreement may  
638 provide for the pledging or assigning of any assets or income from  
639 assets to which or in which the authority has any rights or interest, and  
640 may further provide for such other rights and remedies exercisable by  
641 the trustee as may be proper for the protection of the holders of any  
642 bonds, notes or other obligations of the authority and not otherwise in  
643 violation of law. Such agreement may provide for the restriction of the  
644 rights of any individual holder of bonds, notes or other obligations of  
645 the authority. All expenses incurred in carrying out the provisions of  
646 such trust agreement may be treated as a part of the cost of operation  
647 of the authority. The trust agreement may contain any further  
648 provisions which are reasonable to delineate further the respective  
649 rights, duties, safeguards, responsibilities and liabilities of the  
650 authority, individual and collective holders of bonds, notes and other  
651 obligations of the authority and the trustees; (10) covenants to do or  
652 refrain from doing such acts and things as may be necessary or  
653 convenient or desirable in order to better secure any bonds, notes or  
654 other obligations of the authority, or which, in the discretion of the  
655 authority, will tend to make any bonds, notes or other obligations to be  
656 issued more marketable, notwithstanding that such covenants, acts or  
657 things may not be enumerated herein; and (11) any other matters of  
658 like or different character, which in any way affect the security or  
659 protection of the bonds, notes or other obligations.

660 (i) Any pledge made by the authority of income, revenues or other  
661 property shall be valid and binding from the time the pledge is made.  
662 The income, revenue, such state taxes as the authority shall be entitled  
663 to receive or other property so pledged and thereafter received by the  
664 authority shall immediately be subject to the lien of such pledge  
665 without any physical delivery thereof or further act, and the lien of any

666 such pledge shall be valid and binding as against all parties having  
667 claims of any kind in tort, contract or otherwise against the authority,  
668 irrespective of whether such parties have notice thereof.

669 (j) The board of directors of the authority is authorized and  
670 empowered to obtain from any department, agency or instrumentality  
671 of the United States any insurance or guarantee as to, or of or for the  
672 payment or repayment of, interest or principal or both, or any part  
673 thereof, on any bonds, notes or other obligations issued by the  
674 authority pursuant to the provisions of this section and,  
675 notwithstanding any other provisions of sections 2 to 12, inclusive, of  
676 this act, to enter into any agreement, contract or any other instrument  
677 whatsoever with respect to any such insurance or guarantee except to  
678 the extent that such action would in any way impair or interfere with  
679 the authority's ability to perform and fulfill the terms of any agreement  
680 made with the holders of the bonds, bond anticipation notes or other  
681 obligations of the authority.

682 (k) Neither the members of the board of directors of the authority  
683 nor any person executing bonds, notes or other obligations of the  
684 authority issued pursuant to this section shall be liable personally on  
685 such bonds, notes or other obligations or be subject to any personal  
686 liability or accountability by reason of the issuance thereof, nor shall  
687 any director, officer or employee of the authority be personally liable  
688 for damage or injury caused in the performance of such director,  
689 officer or employee's duties and within the scope of employment or  
690 appointment as such director, officer or employee, provided the  
691 conduct of such director, officer or employee was found not to have  
692 been wanton, reckless, wilful or malicious. The authority shall protect,  
693 save harmless and indemnify its directors, officers or employees from  
694 financial loss and expense, including legal fees and costs, if any, arising  
695 out of any claim, demand, suit or judgment by reason of alleged  
696 negligence or alleged deprivation of any person's civil rights or any  
697 other act or omission resulting in damage or injury, if the director,  
698 officer or employee is found to have been acting in the discharge of his  
699 or her duties or within the scope of his or her employment and such

700 act or omission is found not to have been wanton, reckless, wilful or  
701 malicious.

702 (l) The board of directors of the authority shall have power to  
703 purchase bonds, notes or other obligations of the authority out of any  
704 funds available for such purpose. The authority may hold, cancel or  
705 resell such bonds, notes or other obligations subject to and in  
706 accordance with agreements with holders of its bonds, notes and other  
707 obligations.

708 (m) All moneys received pursuant to the authority of this section,  
709 whether as proceeds from the sale of bonds or as revenues, shall be  
710 deemed to be trust funds to be held and applied solely as provided in  
711 this section. Any officer with whom, or any bank or trust company  
712 with which, such moneys shall be deposited shall act as trustee of such  
713 moneys and shall hold and apply the same for the purposes of section  
714 3 of this act, and the resolution authorizing the bonds of any issue or  
715 the trust agreement securing such bonds may provide.

716 (n) Any holder of bonds, notes or other obligations issued under the  
717 provisions of this section, and the trustee or trustees under any trust  
718 agreement, except to the extent the rights herein given may be  
719 restricted by any resolution authorizing the issuance of or any such  
720 trust agreement securing such bonds, may, either at law or in equity,  
721 by suit, action, mandamus or other proceeding, protect and enforce  
722 any and all rights under the laws of the state or granted under this  
723 section or under such resolution or trust agreement and may enforce  
724 and compel the performance of all duties required by this section or by  
725 such resolution or trust agreement to be performed by the authority or  
726 by any officer, employee or agent of the authority, including the fixing,  
727 charging and collecting of the rates, rents, fees and charges herein  
728 authorized and required by the provisions of such resolution or trust  
729 agreement to be fixed, established and collected.

730 (o) The authority may make representations and agreements for the  
731 benefit of the holders of any bonds, notes or other obligations of the

732 state which are necessary or appropriate to ensure the exclusion from  
733 gross income for federal income tax purposes of interest on bonds,  
734 notes or other obligations of the state from taxation under the Internal  
735 Revenue Code of 1986 or any subsequent corresponding internal  
736 revenue code of the United States, as amended from time to time,  
737 including agreement to pay rebates to the federal government of  
738 investment earnings derived from the investment of the proceeds of  
739 the bonds, notes or other obligations of the authority. Any such  
740 agreement may include: (1) A covenant to pay rebates to the federal  
741 government of investment earnings derived from the investment of the  
742 proceeds of the bonds, notes or other obligations of the authority; (2) a  
743 covenant that the authority will not limit or alter its rebate obligations  
744 until its obligations to the holders or owners of such bonds, notes or  
745 other obligations are finally met and discharged; and (3) provisions to  
746 (A) establish trust and other accounts which may be appropriate to  
747 carry out such representations and agreements, (B) retain fiscal agents  
748 as depositories for such funds and accounts, and (C) provide that such  
749 fiscal agents may act as trustee of such funds and accounts.

750 Sec. 9. (NEW) (*Effective October 1, 2019*) The state of Connecticut  
751 does hereby pledge to and agree with the holders of any bonds, notes  
752 and other obligations issued under section 8 of this act and with those  
753 parties who may enter into contracts with the Connecticut Municipal  
754 Redevelopment Authority or its successor agency, that the state will  
755 not limit or alter the rights hereby vested in the authority or in the  
756 holders of any bonds, notes or other obligations of the authority to  
757 which contract assistance is pledged pursuant to this section until such  
758 bonds, notes or obligations, together with the interest thereon, are fully  
759 met and discharged and such contracts are fully performed on the part  
760 of the authority, provided nothing contained herein shall preclude  
761 such limitation or alteration if and when adequate provision shall be  
762 made by law for the protection of the holders of such bonds, notes and  
763 other obligations of the authority or those entering into contracts with  
764 the authority. The authority is authorized to include this pledge and  
765 undertaking for the state in such bonds, notes and other obligations or



766 contracts.

767       Sec. 10. (NEW) (*Effective October 1, 2019*) (a) The state shall protect,  
768 save harmless and indemnify the directors, officers and employees of  
769 the Connecticut Municipal Redevelopment Authority from financial  
770 loss and expenses, including legal fees and costs, if any, arising out of  
771 any claim, demand, suit or judgment based upon any alleged act or  
772 omission of any such director, officer or employee in connection with,  
773 or any other legal challenge to, authority development projects within  
774 a Connecticut Municipal Redevelopment Authority development  
775 district, provided any such director, officer or employee is found to  
776 have been acting in the discharge of such director, officer or  
777 employee's duties or within the scope of such director, officer or  
778 employee's employment and any such act or omission is found not to  
779 have been wanton, reckless, wilful or malicious.

780       (b) In the event any bond, note or other obligation of the authority  
781 cannot be paid by the authority, the state shall assume the liability of  
782 and make payment on such debt.

783       Sec. 11. (NEW) (*Effective October 1, 2019*) (a) For the purposes of this  
784 section, "economic development master plan" means (1) a  
785 comprehensive economic development plan that is designed to  
786 increase the tax base of a municipality, or the combined tax bases of  
787 two or more municipalities, as applicable, to a level that will allow the  
788 municipality or municipalities to provide an adequate level of  
789 municipal services, or (2) a comprehensive economic development  
790 plan developed pursuant to section 7-578 of the general statutes.

791       (b) Prior to execution of a memorandum of agreement between the  
792 authority and the chief executive officer of a member municipality, or  
793 the chief executive officers of the municipalities constituting a joint  
794 member entity, as applicable, establishing a development district, the  
795 member municipality or joint member entity shall develop an  
796 economic development master plan and submit such plan for the  
797 authority's review and approval. Each member municipality or joint

798 member entity shall provide for community and stakeholder input and  
799 a public comment process in the development of its economic  
800 development master plan, and such plan shall be approved by the  
801 legislative body of such member municipality or the legislative bodies  
802 of the municipalities constituting such joint member entity, as  
803 applicable.

804 (c) In determining whether to approve an economic development  
805 master plan developed under subsection (b) of this section, the  
806 authority shall consider whether such plan includes a clear and  
807 feasible path toward achieving as many of the purposes of the  
808 authority, as set forth in subsection (a) of section 3 of this act, as  
809 practical and appropriate in the context of the unique characteristics of  
810 a member municipality or the municipalities constituting a joint  
811 member entity, as applicable. The authority shall offer support to such  
812 municipality or municipalities in creating the economic development  
813 master plan, if requested by such municipality or municipalities.

814 (d) Any authority development project that receives support from  
815 the authority shall be consistent with (1) the economic development  
816 master plan of the member municipality, or the municipalities  
817 constituting the joint member entity, as applicable, in which such  
818 project is located, (2) the plan of conservation and development,  
819 adopted under section 8-23 of the general statutes, of each such  
820 municipality, and (3) the Comprehensive Economic Development  
821 Strategy prepared under section 32-742 of the general statutes.

822 Sec. 12. (NEW) (*Effective October 1, 2019*) The authority, member  
823 municipalities and joint member entities shall encourage businesses, as  
824 appropriate, to hire local employees. Any business that receives  
825 financial assistance from the authority shall enter into an agreement  
826 with the Workforce Training Authority established pursuant to section  
827 31-11ii of the general statutes for assistance with the training and  
828 recruitment of workers.

829 Sec. 13. Subdivision (12) of section 1-79 of the general statutes is

830 repealed and the following is substituted in lieu thereof (*Effective*  
831 *October 1, 2019*):

832 (12) "Quasi-public agency" means Connecticut Innovations,  
833 Incorporated, the Connecticut Health and Education Facilities  
834 Authority, the Connecticut Higher Education Supplemental Loan  
835 Authority, the Connecticut Student Loan Foundation, the Connecticut  
836 Housing Finance Authority, the State Housing Authority, the Materials  
837 Innovation and Recycling Authority, the Capital Region Development  
838 Authority, the Connecticut Lottery Corporation, the Connecticut  
839 Airport Authority, the Connecticut Health Insurance Exchange, the  
840 Connecticut Green Bank, the Connecticut Retirement Security  
841 Authority, the Connecticut Port Authority, the Connecticut Municipal  
842 Redevelopment Authority and the State Education Resource Center.

843 Sec. 14. Subdivision (1) of section 1-120 of the general statutes is  
844 repealed and the following is substituted in lieu thereof (*Effective*  
845 *October 1, 2019*):

846 (1) "Quasi-public agency" means Connecticut Innovations,  
847 Incorporated, the Connecticut Health and Educational Facilities  
848 Authority, the Connecticut Higher Education Supplemental Loan  
849 Authority, the Connecticut Student Loan Foundation, the Connecticut  
850 Housing Finance Authority, the Connecticut Housing Authority, the  
851 Materials Innovation and Recycling Authority, the Capital Region  
852 Development Authority, the Connecticut Lottery Corporation, the  
853 Connecticut Airport Authority, the Connecticut Health Insurance  
854 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
855 Security Authority, the Connecticut Port Authority, the Connecticut  
856 Municipal Redevelopment Authority and the State Education Resource  
857 Center.

858 Sec. 15. Section 1-124 of the general statutes is repealed and the  
859 following is substituted in lieu thereof (*Effective October 1, 2019*):

860 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
861 and Educational Facilities Authority, the Connecticut Higher

862 Education Supplemental Loan Authority, the Connecticut Student  
863 Loan Foundation, the Connecticut Housing Finance Authority, the  
864 Connecticut Housing Authority, the Materials Innovation and  
865 Recycling Authority, the Connecticut Airport Authority, the Capital  
866 Region Development Authority, the Connecticut Health Insurance  
867 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
868 Security Authority, the Connecticut Port Authority, the Connecticut  
869 Municipal Redevelopment Authority and the State Education Resource  
870 Center shall not borrow any money or issue any bonds or notes which  
871 are guaranteed by the state of Connecticut or for which there is a  
872 capital reserve fund of any kind which is in any way contributed to or  
873 guaranteed by the state of Connecticut until and unless such  
874 borrowing or issuance is approved by the State Treasurer or the  
875 Deputy State Treasurer appointed pursuant to section 3-12. The  
876 approval of the State Treasurer or said deputy shall be based on  
877 documentation provided by the authority that it has sufficient  
878 revenues to (1) pay the principal of and interest on the bonds and notes  
879 issued, (2) establish, increase and maintain any reserves deemed by the  
880 authority to be advisable to secure the payment of the principal of and  
881 interest on such bonds and notes, (3) pay the cost of maintaining,  
882 servicing and properly insuring the purpose for which the proceeds of  
883 the bonds and notes have been issued, if applicable, and (4) pay such  
884 other costs as may be required.

885 (b) To the extent Connecticut Innovations, Incorporated, the  
886 Connecticut Higher Education Supplemental Loan Authority, the  
887 Connecticut Student Loan Foundation, the Connecticut Housing  
888 Finance Authority, the Connecticut Housing Authority, the Materials  
889 Innovation and Recycling Authority, the Connecticut Health and  
890 Educational Facilities Authority, the Connecticut Airport Authority,  
891 the Capital Region Development Authority, the Connecticut Health  
892 Insurance Exchange, the Connecticut Green Bank, the Connecticut  
893 Retirement Security Authority, the Connecticut Port Authority, the  
894 Connecticut Municipal Redevelopment Authority or the State  
895 Education Resource Center is permitted by statute and determines to

896 exercise any power to moderate interest rate fluctuations or enter into  
897 any investment or program of investment or contract respecting  
898 interest rates, currency, cash flow or other similar agreement,  
899 including, but not limited to, interest rate or currency swap  
900 agreements, the effect of which is to subject a capital reserve fund  
901 which is in any way contributed to or guaranteed by the state of  
902 Connecticut, to potential liability, such determination shall not be  
903 effective until and unless the State Treasurer or his or her deputy  
904 appointed pursuant to section 3-12 has approved such agreement or  
905 agreements. The approval of the State Treasurer or his or her deputy  
906 shall be based on documentation provided by the authority that it has  
907 sufficient revenues to meet the financial obligations associated with the  
908 agreement or agreements.

909 Sec. 16. Section 1-125 of the general statutes is repealed and the  
910 following is substituted in lieu thereof (*Effective October 1, 2019*):

911 The directors, officers and employees of Connecticut Innovations,  
912 Incorporated, the Connecticut Higher Education Supplemental Loan  
913 Authority, the Connecticut Student Loan Foundation, the Connecticut  
914 Housing Finance Authority, the Connecticut Housing Authority, the  
915 Materials Innovation and Recycling Authority, including ad hoc  
916 members of the Materials Innovation and Recycling Authority, the  
917 Connecticut Health and Educational Facilities Authority, the Capital  
918 Region Development Authority, the Connecticut Airport Authority,  
919 the Connecticut Lottery Corporation, the Connecticut Health Insurance  
920 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
921 Security Authority, the Connecticut Port Authority, the Connecticut  
922 Municipal Redevelopment Authority and the State Education Resource  
923 Center and any person executing the bonds or notes of the agency shall  
924 not be liable personally on such bonds or notes or be subject to any  
925 personal liability or accountability by reason of the issuance thereof,  
926 nor shall any director or employee of the agency, including ad hoc  
927 members of the Materials Innovation and Recycling Authority, be  
928 personally liable for damage or injury, not wanton, reckless, wilful or  
929 malicious, caused in the performance of his or her duties and within

930 the scope of his or her employment or appointment as such director,  
 931 officer or employee, including ad hoc members of the Materials  
 932 Innovation and Recycling Authority. The agency shall protect, save  
 933 harmless and indemnify its directors, officers or employees, including  
 934 ad hoc members of the Materials Innovation and Recycling Authority,  
 935 from financial loss and expense, including legal fees and costs, if any,  
 936 arising out of any claim, demand, suit or judgment by reason of  
 937 alleged negligence or alleged deprivation of any person's civil rights or  
 938 any other act or omission resulting in damage or injury, if the director,  
 939 officer or employee, including ad hoc members of the Materials  
 940 Innovation and Recycling Authority, is found to have been acting in  
 941 the discharge of his or her duties or within the scope of his or her  
 942 employment and such act or omission is found not to have been  
 943 wanton, reckless, wilful or malicious.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	New section
Sec. 2	<i>October 1, 2019</i>	New section
Sec. 3	<i>October 1, 2019</i>	New section
Sec. 4	<i>October 1, 2019</i>	New section
Sec. 5	<i>October 1, 2019</i>	New section
Sec. 6	<i>October 1, 2019</i>	New section
Sec. 7	<i>October 1, 2019</i>	New section
Sec. 8	<i>October 1, 2019</i>	New section
Sec. 9	<i>October 1, 2019</i>	New section
Sec. 10	<i>October 1, 2019</i>	New section
Sec. 11	<i>October 1, 2019</i>	New section
Sec. 12	<i>October 1, 2019</i>	New section
Sec. 13	<i>October 1, 2019</i>	1-79(12)
Sec. 14	<i>October 1, 2019</i>	1-120(1)
Sec. 15	<i>October 1, 2019</i>	1-124
Sec. 16	<i>October 1, 2019</i>	1-125

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Treasurer, Debt Serv.	GF - See Below	See Below	See Below

Note: GF=General Fund

### **Municipal Impact:** None

### **Explanation**

The bill establishes the Municipal Redevelopment Authority (MRDA) as a quasi-public agency. The amendment authorizes MRDA to issue bonds, among other duties.

### **Revenue and Bonding**

The bill allows MRDA to receive gifts and grants and to set fees for MRDA facilities, but does not transfer ownership of existing facilities to MRDA or otherwise provide a state revenue source.

Though MRDA has authority to issue bonds, without a clear revenue source to issue against, it seems unlikely any bonds would be issued. To the extent bonds are issued, there is a minimal potential cost to the state in the event the resources and obligations of the quasi-public fall back to the state at some future date.

### **Administrative Costs**

The bill allows, but does not require, MRDA and the Capital Regional Development Authority (CRDA) to enter into a memorandum of understanding (MOU) for CRDA to provide administrative support and services for MRDA. To the extent the MOU

is executed, there would be costs to CRDA subject to the terms of the agreement. Absent such an agreement, administrative costs would be borne by MRDA.

It is presumed that no state funding will be used to support MRDA, unless otherwise provided. However, if it is determined that the state will provide funding or a grant, then a state cost would be incurred.

### **Municipal Impact**

The bill requires municipalities that join MRDA, either by choice or because they are required to under the amendment's provisions, to enter into a MOU with MRDA. Any impact to such municipalities would vary based on the provisions of the MOU.

House "A" strikes the underlying bill and results in the above identified fiscal impact.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the activities of MRDA.



**OLR Bill Analysis****sHB 7209 (as amended by House Amendment “A”)\******AN ACT ESTABLISHING THE CONNECTICUT MUNICIPAL REDEVELOPMENT AUTHORITY.*****SUMMARY**

This bill creates the Connecticut Municipal Redevelopment Authority (MRDA) as a quasi-public agency to, among other things, stimulate economic and transit-oriented development. Larger municipalities, and smaller municipalities jointly, may opt to become members of the authority; certain fiscally distressed municipalities are automatically members. The bill authorizes MRDA to develop property and manage facilities in development districts encompassing the areas around transit stations and downtowns (i.e., “MRDA development districts”). Members must enter into an agreement with MRDA to designate at least one district. District boundaries are determined by memoranda of agreement (MOAs) between MRDA and the chief executive officers (CEOs) of the member municipalities.

The bill establishes a 13-member board to govern MRDA and gives it general powers to operate as a quasi-public agency and development-specific powers for projects within MRDA development districts. It authorizes MRDA to (1) issue bonds and other notes backed by its financial resources and (2) enter into an MOA with the Capital Region Development Authority (CRDA) for administrative support and services. It subjects MRDA to specific auditing and reporting requirements.

The bill also makes the state liable for any bond, note, or other financial obligations MRDA cannot pay.

\*House Amendment “A” (1) allows two or more municipalities to become joint members of the authority if their combined population

meets the minimum threshold; (2) eliminates MRDA's authority to condemn properties; (3) changes the name of the municipal member boards from "advisory boards" to "local development boards" and gives them, in consultation with the authority's board of directors, authority over certain aspects of MRDA projects; (4) makes the state liable for certain financial obligations of the authority; (5) eliminates reimbursement to the authority's board of directors for costs it incurs; (6) eliminates the requirement that the state indemnify MRDA; and (7) makes conforming changes.

EFFECTIVE DATE: October 1, 2019

### **QUASI-PUBLIC AGENCY**

The bill establishes MRDA as a public instrumentality and political subdivision of the state, created to perform an essential public and government function. It is a quasi-public agency, not a state department, institution, or agency, and as such is subject to statutory procedural, operating, and reporting requirements for quasi-public agencies, including lobbying restrictions and the State Code of Ethics.

MRDA has perpetual succession as long as any of its obligations (e.g., bonds) are outstanding or until it is terminated by law. Termination does not affect outstanding contractual obligations. Its rights and properties vest in the state when it lawfully terminates.

### **PURPOSE**

Under the bill, MRDA must stimulate economic and transit-oriented development (TOD) in development districts. Under existing law and the bill, TOD means development within one-half mile or walking distance of public transportation facilities (including rail and bus rapid transit and services) that meets transit-supportive standards for land uses, built environment densities, and walkable environments in order to facilitate and encourage their use.

The bill also requires MRDA to:

1. encourage residential housing development in districts;

2. manage facilities through contractual agreements or other legal instruments;
3. stimulate new investment within development districts and support the creation of a vibrant, multidimensional downtown;
4. assist municipalities where a district is located, at the request of their legislative bodies, in development and redevelopment efforts to stimulate their economy;
5. enter into an agreement to facilitate development or redevelopment of property within development districts at the Office of Policy and Management (OPM) secretary's request and with the approval of the municipalities' CEOs;
6. encourage development and redevelopment of property within development districts;
7. engage residents of member municipalities and other stakeholders in development and redevelopment efforts; and
8. market and develop development districts as vibrant and multidimensional.

## **MEMBER MUNICIPALITIES**

Under the bill, and with certain exceptions, members are:

1. municipalities classified by OPM as designated tier III or IV municipalities (i.e., fiscally distressed municipalities subject to the Municipal Accountability Review Board's oversight);
2. municipalities with a population of at least 70,000 (as of the last decennial census), if their legislative bodies opt to become members; or
3. two or more municipalities with a combined population of at least 70,000 (as of the last decennial census), if their legislative bodies opt to jointly become members (i.e., "joint members").

Under the bill, tier III and IV municipalities are deemed members. Bloomfield, East Hartford, Hartford, Newington, South Windsor, Wethersfield, West Hartford, and Windsor are ineligible to become members.

Other municipalities may opt to become members through a certified resolution of their local legislative body. Municipalities that opt to join as joint members do so through concurrent resolutions, which must establish authority for decisions about projects located within these municipalities' development districts.

Before adopting a resolution or concurrent resolution, municipalities must hold public hearings.

#### ***Local Development Boards***

Each member's legislative body must appoint a local development board to serve as its liaison to MRDA. Joint-members' legislative bodies must appoint a board jointly.

The board must include (1) individuals representing the municipality (two from each municipality for joint members, three for other municipal members); (2) the municipality's or municipalities' CEO or CEOs, serving as the chairperson or, for joint-member boards, co-chairpersons; and (3) one member of MRDA's board, chosen by the MRDA board's chairperson.

The board may include other individuals, such as a representative of a local human service or housing organization. In making its appointments, the members' legislative bodies must, to the extent possible, appoint representatives of minority-owned businesses, advocates for walkable communities, and members who are diverse.

#### ***Delineating Development District Boundaries***

MRDA must delineate development district boundaries through an MOA with the municipality or municipalities in which the district will be located. The development district must (1) be in a "downtown" area or (2) not extend beyond a half-mile radius from a transit station.

“Downtown” means a central business district or other commercial neighborhood area of a community that serves as a center of socioeconomic interaction in the community; characterized by a cohesive core of commercial and mixed-use buildings that is often interspersed with civic, religious, and residential buildings and public spaces, typically arranged along a main street and intersecting side streets; and served by public infrastructure.

“Transit stations” are those passenger railroad or bus rapid transit stations located in the member municipality’s jurisdiction that (1) are operational, (2) the Department of Transportation (DOT) is planning, or (3) are included in DOT’s statewide transportation investment program (i.e.; a document, updated every four years, listing transportation projects expected to receive federal funding).

### ***Prerequisite to Delineation***

Before entering into an MOA to delineate boundaries, MRDA must review and approve the member’s economic development master plan, as it was approved by the local legislative body or bodies. This plan is a comprehensive economic development plan designed to increase the municipality’s or municipalities’ tax base to a level that allows it to provide adequate municipal services.

In developing local plans, municipalities must provide for community and stakeholder input and a public comment process. MRDA must offer support upon request to municipalities creating their plans. In determining whether to approve a plan, MRDA must consider whether it includes a clear and feasible path toward achieving as many of MRDA’s purposes as practical and appropriate in the context of the member municipality’s unique characteristics.

## **POWERS**

### ***General Powers***

The bill gives MRDA general powers to function as a quasi-public agency and specific powers related to projects occurring within an MRDA development district’s boundaries (i.e., “authority

development projects"). The general powers allow it to:

1. have perpetual succession as a corporate body;
2. adopt and alter a corporate seal;
3. adopt procedures for regulating and conducting its affairs;
4. maintain offices;
5. sue and be sued;
6. purchase insurance for its property, other assets, and employees;
7. enter into contracts and MOAs;
8. acquire, lease, purchase, own, manage, hold, and dispose of personal property and enter into agreements with respect to such property;
9. engage consultants, attorneys, and appraisers;
10. invest funds that are not immediately needed in (a) obligations issued or guaranteed by the state or federal government; (b) legal investments for savings banks in Connecticut; and (c) in-time deposits, certificates of deposit, or similar arrangements; and
11. do all things necessary and convenient to carry out these powers.

The bill also authorizes MRDA to employ staff as necessary and specifies that they are not state employees, and MRDA is not an employer, under the state's collective bargaining law. However, for purposes of health and life insurance, MRDA employees and officers are considered state employees. MRDA may establish and modify personnel policies, including hiring, employee compensation, promotion, retirement, and collective bargaining.

## **DEVELOPMENT DISTRICTS**

Under the bill, “projects” in a development district include (1) the design and construction of transit-oriented development, (2) the creation of housing units through rehabilitation or new construction, (3) the demolition or redevelopment of vacant buildings, and (4) development and redevelopment. Projects that receive authority support must be consistent with the (1) members’ economic development master plans and plans of conservation and development and (2) applicable Comprehensive Economic Development Strategy. (These are prepared by regional economic development districts.)

### ***MRDA’s Development District Powers***

With respect to projects occurring in a MRDA development district's boundaries, MRDA may (1) acquire real property by gift, purchase, lease, or transfer; (2) dispose of property; (3) receive money, property, and labor from any source, including government sources; (4) enter into common area maintenance, easement, access, support, and similar agreements with regard to property; and (5) own and operate facilities associated with authority development projects.

In exercising these powers, MRDA must (1) provide an opportunity for public comment before any acquisition, transfer, or disposal and (2) comply with the state code of ethics for public employees when receiving any land, or right therein, aid, or contribution. In addition, with respect to projects in a development district, MRDA may also:

1. plan for, acquire, finance, construct, develop, lease, purchase, repair, operate, market, and maintain facilities;
2. collect fees and rents from the facilities it develops and adopt procedures for operating them;
3. enter into contracts for construction, development, concessions, and the procurement of goods and services, as well as, marketing and promotional activities for projects;
4. borrow money, issue bonds, and do anything necessary and desirable, including entering into credit agreements, to make the

bonds more marketable;

5. engage independent professionals, such as lawyers, engineers, accountants, and architects; and
6. adopt and amend procurement procedures.

The bill specifies that its provisions do not limit MRDA from entering into agreements to facilitate the development or redevelopment of municipal property or facilities.

### ***Local Boards' Development District Powers***

The bill delegates to local development boards authority to perform certain functions that it also delegates to MRDA. Specifically, the boards may:

1. acquire real property by gift, purchase, lease, or transfer;
2. dispose of property;
3. receive money, property, and labor from any source, including government sources;
4. purchase insurance for its property, other assets, and employees;
5. plan for, acquire, finance, construct, develop, lease, purchase, repair, operate, market, and maintain facilities;
6. collect fees and rents from the facilities it develops and adopt procedures for operating them;
7. engage architects, engineers, attorneys, accountants and other professionals necessary; and
8. enter into contracts for construction, development, concessions, and the procurement of goods and services.

The bill requires the boards to consult with MRDA before taking any such actions. Additionally, MRDA must provide for an



opportunity for public comment before the board may acquire, transfer, or dispose of any real property rights.

### ***MOA with CRDA***

The bill authorizes MRDA to enter into an MOA with Capital Region Development Authority (CRDA) under which CRDA (1) provides administrative support and services, including staff support, and (2) coordinates management and operational activities, including (a) joint procurement and contracting, (b) shared services and resources, (c) coordinated promotional activities, and (d) arrangements enhancing revenues, reducing operating costs, or achieving operating efficiencies. The MOA can specify the terms and conditions for these relationships, including reimbursement by MRDA to CRDA.

### ***Bonding Authority***

The bill authorizes MRDA, by resolution of its board of directors, to issue bonds and other notes with terms of up to 30 years. The bonds are secured by MRDA's financial resources. It allows MRDA to determine how it will issue and repay the bonds and specifies the terms and conditions it may include in its agreement with bondholders.

Under the bill, authority bonds are not backed by the state's full faith and credit or guaranteed by the state or any of its political subdivisions and must say so on their face. They do not count toward the state's bond cap. But, the bill makes the state liable for bonds, notes, or other debts the authority cannot pay.

The authority's pledge of its income, revenue, or other property is legally binding and subject to liens. Under the bill, a lien on such a pledge is binding against all parties with a claim against MRDA, regardless of whether the parties received a notice of the lien.

The bill makes MRDA bonds fully negotiable and legal investments. It authorizes MRDA to buy insurance to cover debt service payments and allows the board to purchase, hold, and sell the authority's bonds

in accordance with its agreements with bondholders. MRDA may make whatever representations or agreements are needed to exempt its bonds from federal income tax.

The bill exempts board directors and those executing bonds or notes from personal liability unless their conduct was wanton, reckless, willful, or malicious. However, it gives bondholders and their trustees the right, subject to the provisions of the bond resolution, to take legal action to force the board to perform its duties. The bill makes the bond proceeds and other revenue connected with the bonds trust funds, which must be used as the bond resolution specifies.

Under the bill, the state pledges not to limit or alter the authority's or its bondholders' or contractors' rights until the obligations are discharged, unless it adequately protects the bondholders and contractors. With respect to bondholders, the state's pledge applies to bonds for which the state has pledged "contract assistance." (The bill does not define contract assistance or provide a mechanism for such assistance.) It authorizes MRDA to include this pledge in its bonds, other obligations, and contracts.

(By law, certain quasi-public agencies are prohibited from borrowing money or issuing bonds guaranteed by the state without approval from the state treasurer or deputy state treasurer (CGS § 1-124). This bill subjects MRDA to this requirement, but, because MRDA's bonds are only a state liability if MRDA cannot pay them, the extent to which this provision applies is unclear.)

### ***Authority to Provide Property Tax Incentives***

The bill authorizes MRDA to negotiate, and with the OPM secretary's approval, enter into an agreement with a private developer, owner, or lessee of a building or improvement in a development district providing for payment, to the authority in lieu of real property taxes. Such agreements are required as a condition of any private right of development within a district, and must include a requirement that the private developer, owner, or lessee make good faith efforts to hire,

or cause to be hired, qualified minority business enterprises to provide construction services and materials for improvements in the district, in an effort to achieve a minority business enterprise utilization goal of 10% of the total costs of construction services and materials for such improvements.

Any payments in lieu of taxes have the same lien, priority, and enforcement mechanisms as municipal property taxes. MRDA must use the payments to carry out its general purposes.

## **DUTIES**

### ***Coordinating Projects***

The bill requires (1) MRDA to coordinate all state, municipal, and quasi-public agency planning and financial resources that are allocated for a development district project in which it is involved and (2) all state and quasi-public agencies to cooperate with MRDA.

Applicants requesting state funds for a MRDA development district project must submit a copy of their application, along with supporting documents, to the OPM secretary and MRDA. MRDA has 90 days to give the funding agency its written recommendations (called an “economic development statement”), which must include provisions regarding performance standards, including project timelines.

A state agency or agent cannot spend funds on such a project until it receives MRDA's recommendations or after 90 days, whichever is sooner. If it expends funds not consistent with the statement's recommendations, it must give MRDA a written explanation about this decision.

### ***Hiring Local Employees***

MRDA and member municipalities must encourage businesses, as appropriate, to hire local employees. A business that receives financial assistance from MRDA must enter into an agreement with the Workforce Training Authority for assistance with training and recruiting workers. (The Authority has not been established.)

***Annual Report***

Instead of the annual report quasi-public agencies must submit to the governor and state auditors, the board must annually report, within 90 days after MRDA's fiscal year begins, to the governor; state auditors, and the Finance, Revenue and Bonding Committee on MRDA's finances, procurement, and employment. This report must include:

1. a list of the bonds it issued in the preceding fiscal year and, for each issue, its face value and net proceeds; the names of financial advisors and underwriters; and whether it was competitive, negotiated, or privately placed;
2. the cumulative value of all bonds issued and outstanding;
3. the amount of the state's contingent liability;
4. a description of each project, its location, and the amount the authority spent on its construction;
5. a comprehensive financial report prepared according to generally accepted governmental accounting principles;
6. a list of individuals and firms, including principal and other major stockholders, who received more than \$5,000 for services;
7. the authority's affirmative action policy; a description of its workforce by race, sex, and occupation; and a description of its affirmative action efforts; and
8. a description of the activities planned for the current fiscal year.

***Independent Financial Audit***

The bill requires the board to annually contract with a certified public accounting firm to undertake a financial audit, according to generally accepted auditing standards. It must submit it to the governor; state auditors; and the Finance, Revenue and Bonding Committee.

### ***Compliance Reports***

The board must annually contract with a person or firm for a compliance audit. It must submit it to the governor; state auditors; and the Finance, Revenue and Bonding Committee. The compliance audit must check MRDA's performance against its policies and procedures on personnel and affirmative action, procurement, and use of surplus funds.

The bill also requires MRDA to designate a contract compliance officer to monitor MRDA's facility operations for compliance with state law and contracting requirements relating to (1) set-asides for small contractors and minority business enterprises and (2) required efforts to hire available and qualified minorities. The compliance officer must file an annual written report, including findings and recommendations, with MRDA.

## **GOVERNANCE**

### ***MRDA Board Membership***

Under the bill, MRDA's 13-member board consists of eight appointed directors and five ex officio, voting directors: the OPM secretary and the labor, transportation, housing, and economic and community development (DECD) commissioners or their designees. Table 1 lists the appointed directors and their appointing authority. All appointments must be made by November 30, 2019.

**Table 1: Appointed Board Directors**

<b><i>Appointing Authority</i></b>	<b><i>Number of Appointments</i></b>
Governor	Two
House speaker and Senate president pro tempore (jointly)	Two, one of whom is the chief executive officer of a member municipality in New Haven County
House and Senate majority leader (jointly)	Two, one of whom is the chief executive officer of a member municipality in Hartford County
House and Senate minority leader (jointly)	Two, one of whom is the chief executive officer of a member municipality in Fairfield County

Directors serve four-year terms and may be reappointed. Vacancies

must be filled for the unexpired term by the original appointing authority. Each must take the constitutional oath of office and records of the oath must be filed with the secretary of state. Directors (1) may be removed by the appointing authority for malfeasance or willful neglect of duty and (2) if appointed, are deemed to have resigned if they miss three consecutive meetings or 50% of the meetings in a calendar year.

### ***Chairperson and Executive Director***

The governor appoints the board chairperson from among the board members. The board (1) annually elects a vice-chairperson, (2) elects other officers, and (3) appoints an executive committee. The chairperson, with the board's approval, must appoint MRDA's executive director, who cannot be a board director. The executive director is (1) a salaried employee; (2) the chief administrative officer of the authority; and (3) responsible for supervising the administrative affairs and technical activities of the authority, pursuant to the board's directives.

### ***Duties***

The board must adopt a budget and bylaws. It must report twice a year to the appointing authorities with respect to operations, finances, and achievement of its economic development objective. The board is accountable to the state and must cooperate with it when it audits MRDA's operations and projects, including granting the state reasonable access to MRDA projects and records.

MRDA's board must adopt written procedures to:

1. adopt an annual budget and plan of operations and require board approval before either can take effect;
2. hire, dismiss, promote, and pay authority employees, develop an affirmative action policy, and require board approval before a position may be created or a vacancy filled;
3. acquire real and personal property and personal services, and

require board approval for any non-budgeted expenditure of more than \$10,000;

4. contract for financial, legal, bond underwriting, and other professional services, and require the board to solicit proposals at least once every three years for these services;
5. issue and retire bonds and other authority obligations;
6. award loans, grants, and other financial assistance, including developing eligibility criteria, an application process, and determining the role played by employees and directors; and
7. use surplus funds.

MRDA must follow the same notice requirements quasi-public agencies follow before adopting its procedures.

### ***Board Deliberations***

A majority of the directors then in office constitutes a quorum, and a majority of those present can act. Vacancies do not prevent a quorum from acting. The board may act by adopting resolutions at regular or special meetings that take effect immediately unless the resolution specifies otherwise. The board must keep records of its proceedings in a form it chooses, indicating each director's attendance and votes cast.

The board may delegate any of its powers and duties to three or more directors, agents, or employees.

### ***Surety and Compensation***

The bill requires each director and the executive director to provide an individual surety bond for at least \$100,000. Alternatively, the board chairperson may execute a blanket bond or equivalent insurance product that covers the directors, executive director, and employees. The authority pays the cost of bonds or insurance products. Board directors are not paid.

### ***Conflict of Interest***

The bill prohibits directors and their immediate family members from having a financial interest in:

1. an authority development project,
2. property included or planned for inclusion in any such project,  
or
3. a contract or proposed contract for material or services used in such projects.

### ***Indemnification***

MRDA directors, officers, and employees are not personally liable for bonds MRDA issues or for any damage or injury caused by performing duties within the scope of their employment or appointment, as long as the actions are not willful, wanton, reckless, or malicious.

MRDA must indemnify its directors, officers, and employees from financial loss and expense arising from certain specified claims, demands, suits, or judgments involving their actions. This protection applies to individuals performing their duties or acting within the scope of their employment, as long as the act or omission was not wanton, reckless, willful, or malicious.

The bill also requires the state to indemnify directors, officers, and employees from financial loss and expense resulting from a claim, demand, suit, or judgment connected to an act or omission related to an MRDA development district project. The protection applies to individuals performing their duties or acting within the scope of their employment, as long as the act or omission was not wanton, reckless, willful, or malicious.

### **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea    12    Nay    9    (03/29/2019)